DOCUMENT RESUME

ED 231 079 EA 015 762

AUTHOR	Sanyal, Bikas C.
TITLE	Higher Education and the Labour Market in Asia.
INSTITUTION	United Nations Educational, Scientific, and Cultural Organization, Paris (France). International Inst. for Educational Planning.
REPORT NO	IIEP-Sem-P-43
PUB DATE	82
NOTE	19p.; A contribution to the Conference on "Higher Education and Development in Asia" organized by the German Agency for Technical Co-operation (Bangkok, Thailand, October 18-24, 1981).
AVAILABLE FROM	IIEP Publications, International Institute for Educational Planning, 7-9 rue Eugene-Delacroix, 75016 Paris, FRANCE (Order No. C.54; Frs. 5.00).
PUB TYPE	Viewpoints (120) -- Reports - Research/Technical (143) -- Speeches/Conference Papers (150)
EDRS PRICE	MF01 Plus Postage. PC Not Available from EDRS.
DESCRIPTORS	Access to Education; *Developing Nations; Educational Environment; *Educational Needs; Educational Opportunities; *Education Work Relationship; Employment Opportunities; Foreign Countries; Higher Education; *Human Resources; Labor Market; *Labor Needs; Labor Supply; Modernization; National Programs; Unemployment
IDENTIFIERS	*Asia; Bangladesh; India; Indonesia; Philippines; Sri Lanka

ABSTRACT

This 1971-76 study of the employment markets in Bangladesh, India, Indonesia, the Philippines, and Sri Lanka reveals that, except in the Philippines, unemployment is increasing at a very fast rate relative to the level of education per person. In the Philippines and in India, enrollment ratios for higher education have been substantially higher than in the other countries. As social pressure has led to expansion in higher education, the majority of students have enrolled in arts-based rather than science-based subjects. Although arts-based studies cost less, developing nations need more science-based students to further resource development. The role of education in each country and region is best ascertained, according to the author, by analyzing available physical and human resources potentials. Such analysis needs to consider what types of skills will be in increasing demand, and to develop strategies for matching needed skills with the training content of higher education. Findings of the International Institute for Educational Planning Conference to which this paper was presented include a general lack of coherent and comprehensive national policies toward higher education and a significant mismatch in all the countries studied between the expected educational career of the student and the actual educational career. (JBM)

EA 015 762

U.S. DEPARTMENT OF EDUCATION
NATIONAL INSTITUTE OF EDUCATION
EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

This document has been reproduced as received from the person or organization originating it.

Minor changes have been made to improve reproduction quality.

- Points of view or opinions stated in this document do not necessarily represent official NIE position or policy.

"PERMISSION TO REPRODUCE THIS MATERIAL IN MICROFICHE ONLY HAS BEEN GRANTED BY

J. Stahl

TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)."

IIEP seminar paper: (43)

HIGHER EDUCATION AND THE LABOUR MARKET IN ASIA

Bikas C. Sanyal

A contribution to the Conference on "Higher Education and Development in Asia" organised by the German Agency for Technical Co-operation and held in Bangkok, 18-24 October 1981

INTERNATIONAL INSTITUTE
FOR EDUCATIONAL PLANNING
(established by Unesco)
7-9, rue Eugène-Delacroix, 75016 Paris

© Unesco 1982

The opinions expressed in these papers are those of the authors and do not necessarily represent the views of the Institute or of Unesco

CONTENTS

		Page
1.	Introduction	1
2.	The employment market	3
3.	The quantitative development of higher education	5
4.	Higher education, employment and development	8
5.	Some findings of IIEP research in higher education, employment and development	12
6.	Conclusion	14

HIGHER EDUCATION AND THE LABOUR MARKET IN ASIA
WITH SPECIAL REFERENCE TO
BANGLADESH, INDIA, INDONESIA, THE PHILIPPINES AND SRI LANKA

by
Bikas C. Sanyal

1. Introduction

Whatever the political ideology of a government, employment of the educated is increasingly being considered as an essential element of national development, not only because the labour market is at the core of social and economic development since it determines the role of an active citizen, but also because every citizen is entitled to have a social role to play, and, today, paid employment is the means of playing that role. This is why the discussion on higher education and the labour market becomes important in the context of any debate on higher education and development.

In some sense, it is an unwelcome situation, not only for Asian countries, but for the whole world, because education in general, and higher education in particular, had more important goals in the past than merely to obtain a 'job'. We can see reference to the objectives of education when Socrates said: "and we shall begin by educating the mind and character, shall we not?" In the oriental countries, especially in Asia, moral and ethical aspects of life were the most important elements of education. But education and work were also closely linked together. This needs elaboration since our main concern in this paper is to deal with the relationship between higher education and the world of work.

The economy in most of the Asian countries, before the advent of the western commercial and industrial civilization, was essentially a subsistence agrarian economy. The primary task of the community was to produce food, which was the most important basic need. Small ancillary crafts and occupations supported this primary function. All kinds of services necessary for subsistence were provided by different social groups. The

socialization of the individual, his training in a given skill and in the value system of the society were all indivisible elements of a single learning system. The family, the work-place, the formal centres of learning, and the religious institutions, all imparted education on how to live, work and follow the rules of the society in which an individual was born. The social leaders, the elders, expert craftsmen and religious teachers set the standards and provided the learning. The world of work could hardly be separated from the world of education.

Even during the colonial period, the same system prevailed in most of these countries, particularly in the rural areas which were mostly unaffected by the western industrial civilization brought by the colonial rulers. However, in the urban areas and the tiny modern sector of the economy, namely the government and commercial sector, the colonial rulers needed local manpower at the subordinate level, whom they trained in institutions set up according to their own needs. The formal education system which was producing these cadres was elitist, and generally the language of instruction was that of the colonial rulers. Higher education was restricted in quantity and type to meet the needs of the rulers. The influence of the family, religious institutions and the work-place in imparting education was diminishing fast, and the traditional learning system was disintegrating. The elitist modern education, on the other hand, ignored the very fundamental aspects of life, such as the development of values, formation of character, etc. The modern sector, although small, was distinct from the vast subsistence sector of the economy, and unemployment of the educated started to be a problem particularly among the graduates of the traditional institutions.(1),(2)

One of the main reasons for this situation was that the modern organized sector started recognizing the completion of an educational programme as a requirement for employment, graded perhaps arbitrarily according to the type and duration of studies. Education and work now had a correspondence, but the inherent linkage was lost; the world of education became separate from the world of work.

---

(1) H. Sharp, Selections from Educational Records, Part I.: 1781-1839, Calcutta, 1920 (see especially the minutes of Macaulay dated 2 February 1836).

(2) Mark Twain, More Tramps Abroad, Vol. II, Bernhard, Tauchnitz, Leipzig, 1897, p. 225.

At independence, many of the Asian countries had to expand their educational systems due to social, economic and political reasons. But, the content and structure of the former colonial rulers' education did not undergo substantial change, and, as we know, the objectives of that education were very limited. The traditional education system also became irrelevant with the fast changing needs of the society, and so these countries opted for expanding the modern education system with all its defects. This system was not relevant for the development efforts, new skills and new types of responsibilities that an independent country's government and commercial sector needed, and above all the system did not have any emphasis as regards the fundamental aspects of life.

It is in this context that a Conference such as this, which tries to identify not only the developmental basic needs of life, but also the moral and cultural aspects and means to adapt the system of higher education to 'appropriate' technology, becomes important. It gives us an opportunity to look for means to integrate education with life, as was the case in the past. This would require broadening the definition of the 'labour market', which it would be pertinent to consider as the place where an individual spends most of his life with the social role of redressing his life from futility and contributing to the development of the society.

2. The employment market

As mentioned before, the modern sector of the economy which provides gainful employment was small in most of these developing countries at independence. However, during the period after the second world war when most countries became independent, this sector increased rapidly due to the development efforts. Even then, the rate of growth of employment was not in keeping with the rate of growth of the economically active population, despite the fact that the latter excludes individuals continuing education and the number who are doing so is increasing at a faster rate.

The unemployment situation in Bangladesh for example takes a different form in disguised unemployment or under-employment, because of its continuing agrarian economy. Official records show that 11 per cent of the total

labour force was estimated to be unemployed in 1979.(1) The problem of unemployment amongst the educated is more acute. According to the Planning Commission's estimates, 66,000 graduates - or 48 per cent of job aspirants - remained unemployed in 1980.(2) Table 1 gives the estimates of total unemployment in India, Indonesia, Philippines and Sri Lanka.

Table 1

Country	Year	Unemployment (in thousands)	Growth rate (%)
India	1974	8 393.3	10.9
	1978	12 677.8	
Indonesia	1971	895.0	5.6
	1976	1 172.0	
Philippines	1971	666.0	- 3.0
	1975	581.0	
Sri Lanka	1973	457.7	5.8
	1977	572.6	

Sources: For India, Philippines and Sri Lanka : ILO Statistical Yearbook 1980.
For Indonesia : World Bank , Employment and Income Distribution in Indonesia, Washington, 1980.

It can be observed from the above table that except in the Philippines unemployment among the active population is increasing at a very fast rate, the country facing the worst problem being India. Even in the Philippines, among the employed persons, one out of four were non-voluntary part-time workers, and there were about 800,000 underemployed looking for job opportunities.(3)

(1) Planning Commission, Bangladesh, The Second Five-Year Plan, 1980-85, p. VI-5, Dacca, 1980.

(2) ibid.

(3) B.C. Sanyal, W.Perfecto, A. Arcelo, Higher Education and the Labour Market in the Philippines, Unesco Press and Wiley Eastern Ltd., Delhi, 1981, p.134.

In India, unemployment among high-level graduates, especially in professional and administrative jobs, increased at almost 13 per cent per year during the period 1971-76, giving a total unemployment figure of 716,000 in 1978 according to the ILO.(1) In the Philippines, one estimate gives a figure of nearly 70,000 surplus graduates in 1978.(2) Even with the strict control of admission to higher education in Sri Lanka during the period 1970-77, unemployment among graduates in professional and administrative fields has increased at 2.5 per cent per year, with a total number of 111,000 individuals in this category remaining unemployed in 1977. The situation is alarming, not only because poor countries like these have invested large sums of money in educating these people, but also because the frustration and unmet expectations which result from unemployment have been creating serious social problems.

3. The quantitative development of higher education

One would be tempted to relate the problem of unemployment among graduates of higher education with the quantitative growth of higher education in these countries. However, it is striking to note that the high rate of growth in unemployment of the highly educated in India during the period 1974-78 has not been due to a high rate of growth in enrolment in higher education. According to Unesco statistics, enrolment in higher education in India has been controlled substantially during the last seven years at an annual average growth rate of 1.5 per cent only. Similarly for Sri Lanka, the annual average growth rate was 1.2 per cent during the period 1970-76. However, in Bangladesh, the Philippines and Indonesia, enrolment in higher education has increased at an average annual growth rate of 6.4, 5.9 and 3.0 per cent respectively, as shown in Table 2.

In Bangladesh, unemployment among graduates is serious, and the reason could be attributed to the enrolment growth in the face of economic stagnation. In the Philippines and Indonesia, the situation is not that serious because the economy has grown at a higher rate than in the other countries, as can be noted from the growth rate of per capita gross national product (GNP) given in Table 3.

---

(1) ILO Statistical Yearbook 1980.

(2) B.C. Sanyal, W. Perfecto, A. Arcelo, op. cit.

Even with a high growth rate in the economic activities, particularly due to petroleum, unemployment amongst the whole population has been increasing in Indonesia, whereas in the Philippines, which has a lower economic growth, the overall unemployment rate has decreased. Part of the explanation is the definitional problem, because unemployment has been defined in different ways in different countries in spite of the efforts of standardization by the ILO. But we should not miss the point that participation rate among the economically active population in Indonesia might be increasing faster than in the Philippines. The possibility of overseas employment for Filipinos is higher as well.(1) Also, growth rate in per capita income does not reflect the distribution of that income through employment in an even manner. The employment situation among higher education graduates in Indonesia could not be assessed because of lack of data. The economic growth expansion of service facilities, including education, would lead one to believe that the problem is less serious in Indonesia than in the other countries considered.

What is striking in the development of higher education is that in the Philippines and in India the enrolment ratios for higher education have been substantially higher than in the other countries. Nearly one out of four citizens in the Philippines, and one out of twelve in India, in the relevant age-group, had a place in the higher education system, whereas in the other countries the enrolment ratio with respect to the relevant age-group has remained remarkably low so far. In the near future, social pressure will open the door to higher education for citizens of those countries with low enrolment ratios, with the subsequent need to open the door to the labour market. In Sri Lanka, the situation has already changed: enrolment in higher education has been increasing at a higher rate since 1977, after the change in government. Other countries also have to be ready to face this situation.

---

(1) B.C. Sanyal, W. Perfecto, A. Arcelo, op. cit.

Table 2

Country	Year	Enrolment (in higher education) (thousands)	Growth rate (%)	Proportion of science-based in 1977	Enrolment ratios (20-24)
Bangladesh	1970	117.6	6.4	30.5	2.10
	1977	181.8			2.54
India	1970	2 903.6	1.5	29.7	8.19
	1977	3 216.4			8.40
Indonesia	1970	248.2	3.0	34.3	2.83
	1976	293.3			2.46
Philippines	1970	651.5	5.9	27.9	19.94
	1977	970.0			23.69
Sri Lanka	1970	12.3	1.2	38.7	1.17
	1976	13.2			1.34

Source : Based on data from Unesco Statistical Yearbook 1980. The latest year available has been used.

Table 3

Country	GNP per capita in 1979	Growth rate in GNP per capita (1970-78)	Population (mid-1979) (thousands)	Population growth rate (1970-78)
Bangladesh	100	0.2	86 961	2.8
India	190	1.6	658 337	2.0
Indonesia	380	5.3	138 891	1.8
Philippines	600	3.7	46 803	2.7
Sri Lanka	230	1.9	14 639	1.7

Source : World Bank Atlas, 1980.

Another interesting feature in the development of higher education can be observed from Table 2 , as far as the distribution of enrolment among science-based and arts-based subjects is concerned; the former perform most of the productive activities in the economy, the latter the service activities. In most of the developing countries, when social pressure has led to expansion in higher education without a proportional increase in the share of the budget, expansion had to be made in areas where cost was less. The arts-based fields of studies are much less costly than the science-based fields of studies and therefore enrolment in the former has increased at a much faster rate. As can be noted from Table 2, in all the countries the majority of students are enrolled in arts-based subjects, and only one out of three students can get a place in the science-based fields of studies. The economy of a developing country needs more science-based students to explore its resource potential and exploit the available resources in an indigenous way.

4. Higher education, employment and development

Analysis of interdependence between development of higher education and the overall socio-economic development of a country calls for an analysis of the resource potential in natural, physical and human categories. To develop each region in a balanced way, the development strategy of a country should take account of whatever natural resources are available in that region. The process of exploitation and the choice of technology will be determined inter alia by natural resource potential. The exploitation of these resources requires skills which must be provided by the education system. The way in which natural resources are exploited therefore influences the educational development strategy in structure and content. It is also dependent on the available and potential physical resources such as buildings, equipment, transportation and communication facilities. Development of these physical resources depends in turn on the development of education and vice versa. An analysis of physical resources potential also becomes an important task in ascertaining the role of education in the overall development strategy of a country or a region.

In the analysis of the development of human resources, traditions, customs and beliefs cherished by the people cannot be ignored. Demographic changes influence the human resource potential as well. Education, for that matter higher education, has to be planned in such a way as to develop this human resource potential in order to respond to the needs of the social and economic development of the country or the region while considering the expectations and attitudes of the people. An analysis of human resource development therefore becomes imperative in the overall analysis of the relationship between higher education and employment.

The conditions of work, recruitment and promotion policy of the employment market influence the type of qualifications that an employee would have. A full employment policy has to guarantee a job for every individual. In countries where this policy does not prevail, employment is an objective of the individual, but even then governments have to intervene in making arrangements for employment of graduates to avoid a social crisis. Development of human resources therefore becomes dependent on the operation of the labour market and the prevailing employment policy of a country.

The policy of human resource development for economic and social needs calls for an analysis of the skills needed for the various activities of the economy. The output of the education system, by type of skills taught, has to be known for proper utilization of the human resources it generates. Before the education system can be planned with respect to intake, content and structure, it is only logical that demands for such skills in quantitative terms be estimated beforehand to whatever extent possible. These estimates of demand, which traditionally have been called manpower demand but are broader than that because of the consideration of the qualitative aspects, are susceptible to inaccuracy due to economic uncertainties and the changing nature of the perceptions, attitudes and expectations of the different segments of the society. However, some guidance is needed as to the direction that the development of education in general, and higher education in particular, should take in quantitative terms to cater for the future needs for skills so as to avoid unemployment or underemployment.

It is believed that these estimates, if properly prepared, can provide such guidance. These quantitative estimates of needs for skills can be checked with the actual values to identify the degree of inaccuracy and to form a check-list of missing parameters and variables. They are also useful for setting the foundation of the strategy for the development of the structure and organization of the education system.

It is assumed that where higher education is concerned the estimates are easier to make, because of the increased degree of correspondence between the skills imparted in the higher education system and the skills needed on the job, than for other levels of education. Having regard to the problems of estimating future needs for highly-qualified manpower, an analysis of the matching between the quantity of trained people and the quality of the training content demanded by the economy and responsiveness of the institutions of higher education becomes particularly useful. This analysis of matching brings out the shortcomings of the education system, not only quantitatively but also qualitatively. A careful diagnosis of the education system forms the basis of any future strategy for the higher education system and also provides a yardstick for achievements in restructuring the social system through change in the educational system, and illuminates the problems encountered in achieving the targets of socialization and equality of opportunities in the world of work. These problems may be seen in the various education 'paths' of different population groups, which result in the different work opportunities in the labour market.

To identify the factors obstructing socialization and equality of opportunities requires a sociological analysis of the population, their perceptions, attitudes and expectations concerning the education system and the labour market. This analysis must give details of such socio-economic characteristics as parental educational and income background, age, sex, region of home, type of school attended, etc.

An analysis of the problem of unemployment and underutilization of graduates in respect of the training received and the skills needed by the job can provide useful information for decision-making to improve the relationship between higher education and the world of work. This analysis would also involve a study of the process of employment and its effectiveness as perceived by the graduates and the employers.

An institutional mechanism for interaction among the students, their parents, the institutions of higher education, the graduates, the employers and the planners and decision-makers could also assist in improving such a relationship. A better match between the expectations and the admission policies of the institutions of higher education could result in better academic performance and better socialization. This could be achieved through the design of more rational selection criteria and a better counselling system.

A better match between the expectations and qualifications of graduates and the expectations and requirements of the employers could result in higher productivity, more job satisfaction, and less structural imbalance in highly-qualified manpower with the adoption of better employment procedures and selection criteria. A matching system among the different segments of the society could be a useful tool to develop a 'fine tuning' procedure for constant revision of the higher education system and the labour market which would be able to take into account the changing technology, re-ordering of developmental priorities, changing structure of the education system, and changing perceptions, attitudes and expectations of the different segments of the society.

While developing international co-operation, any aid agency should also be sensitive towards the complexity of the relationship between higher education and development in a developing country. In some of the international forums, the scientists and educationists of developing countries are getting worried about the 'transnational intelligence industry', which is made up of the university system, consultancy firms and multinational corporations in the developed countries. These have a tremendously dominant position in the world and can choose what kind of intellectual capital goods to export. The phenomenon has been described in the following way:

> "...this transnational intelligence industry imports its raw materials from the developing countries in the form of students. It reprocesses those students into something the dominant partner wants them to be, they will certainly be important bridgeheads, clients and relay stations for the interests of the dominant countries."(1)

---

(1) Africa, No. 105, May 1980.

It is encouraging to note that the organizers of the present Conference have been sensitive to this feeling, as noted below :

> "...sur-place studies in the home country or in a third country, or in the same region, are given priority in measures being supported by development funds, one exception being training to meet the immediate needs of a project."(1)

The way that the Federal Republic of Germany is attempting to develop its co-operation programmes with developing countries, oriented towards local needs, local culture and local technology, deserves appreciation.

5. Some findings of IIEP research in higher education, employment and development

It is not possible to go into all the details of the results of the analysis between higher education and employment with special emphasis on social, economic and cultural development of the countries under consideration. These have been published separately. For this Conference, only some general findings are noted below :

1. Although each of the countries mentioned in the paper has attempted to relate the development of higher education to the basic needs of the people to varying degrees, a coherent and comprehensive national policy in this respect, backed up by concrete programmes, is still lacking mainly because of lack of information, know-how and financial resources.

2. Although there has been imbalance in the growth of enrolment in different disciplines during the period of rapid expansion of higher education in the last decade resulting in the problem of unemployment of graduates in overcrowded disciplines, in Bangladesh, Sri Lanka and Indonesia enrolment in higher education has remained restricted to only a few privileged citizens until now. These countries will have to be ready to expand their higher education further with consequences for the labour market even more serious than in India and the Philippines.

---

(1) The Federal Ministry of Economic Co-operation, Principles of Development Policy as Applied to Cooperation with Universities in Developing Countries, March 1979.

3. In all the countries, expansion in higher education has ignored employability of the graduates, although students pursue higher education for better employment opportunities contrary to the belief in some quarters that a significant proportion pursue higher education for its own sake.

4. In all these countries, it has been found that there is a significant mismatch between the expected educational career of the student and the actual educational career. The popularity of the subject depends mostly on the economic reward and possibility of a government job offered to the graduates in the subject.

5. Professional guidance and career information are very limited in all these countries and parents and relatives, rather than vocational counsellors at school, influence the choice of an educational career by a student.

6. Academic performance is the most frequently applied criterion for recruitment by the employers, although they opine that there is no significant relationship between academic performance and job performance.

7. Recurrent education and integration of work experience in the educational process are regarded as the most effective method of making education responsive to the work needs.

8. Although self-employment calls for specially oriented education programmes, none of the countries under consideration have any policy on higher education for self-employment.

9. There is hardly any correspondence between the perceptions of the graduate and the employer concerning the conditions of satisfactory work. Good income is not the most important criterion for a satisfying job.

10. Non-availability of correct information for graduates about where the jobs are to be found and how to get them is one of the most important reasons for unemployment among graduates.

6. Conclusion

It would be ideal if national policies for higher education could be formulated in relation to the basic needs of the citizens of these countries. The most important of these needs is gainful employment for all because it is the means of survival. Higher education, to justify its role, has to prepare its students for a suitable role in the society, as well as to develop the country in such a way that all citizens have a role to play. If today education is considered to be a basic human right, gainful employment will also be demanded as a basic human right. Article 55 of the Charter of the United Nations states :

> "With a view to the creation of conditions of stability and well-being which are necessary for peaceful and friendly relations ... the United Nations shall promote ... higher standards of living, full employment and conditions of economic and social progress and development."

With technological advancement, the size of employment, as it has been traditionally defined, may not increase to the extent that the economically active population in the world will increase. In the developing countries of Asia, there is however still some scope for increasing employment by enlarging the modern sector of the economy. Higher education will have a role in increasing the economic activities by relating itself to economic and social development. Even then, the size of employment may not cover the entire economically active population who seek an identity in the society by having an employment. At that stage, to achieve full employment in any country, it will be necessary to redefine employment as any useful social role that an individual plays in the society for its preservation and development, and governments will have to formulate policies to recognize these roles economically and socially.